

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

WILLIAM A. THIE
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GENERAL ATTORNEY
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9674
RECORDATION NO. Filed & Recorded

SEP 1 1978 12 12 PM IN REPLY REFER TO: 410.043-42

Mr. H. G. Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

August 29, 1978

Re: Security Interest (Agreement) dated as of August 23, 1978,
between the Frost National Bank of San Antonio, Texas, and
Missouri-Kansas-Texas Railroad Company, covering and pertaining
to one Model BEB-17 Ballast Equalizer

Dear Mr. Homme:

In accord with the provisions of Section 20(c) of the Interstate Commerce Act and the rules and regulations approved and prescribed by the Interstate Commerce Commission pursuant thereto, there are submitted herewith for filing and recording three executed counterparts of a Security Agreement dated as of August 23, 1978, between the Frost National Bank of San Antonio, Box 1600, San Antonio, Texas 78296, secured party, and Missouri-Kansas-Texas Railroad Company, 701 Commerce, Dallas, Texas 75202, said Security Agreement covering the purchase by Missouri-Kansas-Texas Railroad Company, debtor (purchaser), of one Model BEB-17 Ballast Equalizer, a track vehicle, which Ballast Equalizer has Serial No. 177-3428 and has debtor's assigned mark RM-1001.

Please return one file-marked copy to me with recording information thereon.

I am also enclosing a Cashier's check No. 28696 drawn on the First City Bank of Dallas by the Railroad, payable to the ICC in the amount of \$50 to cover the prescribed fee for recording the enclosed Security Agreement.

I certify that I have knowledge of the matters set forth herein.

Very truly yours,


Arthur M. Albin

AMA:jar

Enclosures

cc: Mr. Keith Martin
Frost National Bank

RECEIVED
SEP 1 12 06 PM '78
I.C.C.
EE OPERATION BR.

8-244A060

Date SEP 1 1978
Fee \$ 50

ICC Washington, D. C.

Interstate Commerce Commission
Washington, D.C. 20423

9/1/78

OFFICE OF THE SECRETARY

Arthur M. Albin
Missouri-Kansas-Texas RR Co.
701 Commerce Street
Dallas, Texas 75202

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **9/1/78** at **12:10pm**, and assigned recordation number(s) **9674**

Sincerely yours,

H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

Frost Bank

OF SAN ANTONIO

RECORDATION NO. 9674 Filed & Recorded

SECURITY AGREEMENT (Equipment and Consumer Goods)

SEP 1 1978 12 10 PM

UNIVERSAL COMMERCE COMMISSION

August 23, 1978

Date

KNOW ALL MEN BY THESE PRESENTS, That MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, Debtor, a Delaware corporation with its principal place of business at 701 Commerce St., Dallas, Texas, hereby grants to Frost National Bank of San Antonio, Secured Party, a security interest in and to the following described goods, chattels, and personal property, to wit:

One (1) Model BEB-17 Ballast Equalizer equipped with Broom Attachment, Fail-Safe Brakes and Pressurized Cab with Heater, manufactured by Tamper Division of Canron, Inc.,

with all similar goods hereafter acquired, all replacements thereof and all accessions, accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith, all of which property is hereinafter called Collateral and is located or will be located at

Debtor's premises within the States of Missouri, Kansas, Oklahoma, and Texas
Location, address or description

If the property covered hereby is to be so affixed or related to realty as to become a part thereof, it is or will be affixed to the real property described herein.

Such real property is located in _____ County, Texas, and is more particularly described as follows, to wit:

If other than the Debtor, the record owner of the land is _____

This security interest is given to secure the performance of the covenants and agreements herein set forth and for the payment of an indebtedness of \$ 48,000.00, as evidenced by that promissory note or notes of even date herewith, executed by the Debtor and payable to the order of the Secured Party as herein provided, with default and deferment interest, costs and attorney fees as set forth therein; and for the payment of all extensions and renewals of the said note(s) and all changes in form of said indebtedness which may be from time to time effected between the parties, and for all advances made by Secured Party for insurance on said goods, and for all moneys due, including all amounts heretofore and hereafter advanced by Secured Party to or for the account of Debtor, at the option of the Secured Party, and for interest thereon.

This security agreement is intended to secure said Secured Party, its successors and assigns, in the payment of any and all indebtedness due and owing by Debtor to Secured Party, whether the same be evidenced by the hereinabove described note or by other notes executed by Debtor, or by overdrafts, endorsements, guaranties or otherwise, as well as any and all other indebtedness now due or that hereafter may become due and owing by Debtor to Secured Party, all of which indebtedness shall stand secured by this security agreement.

Proceeds of and accessions to Collateral are also covered; however, such shall not be construed to mean that the Secured Party consents to any sale of such Collateral, and no sale of such Collateral shall be made by Debtor without the written consent of Secured Party.

The proceeds of the note(s) are to be paid at Secured Party's election (check one) ☒ to the seller of said goods, or _____ to the Debtor who will apply the loan proceeds to the payment of the purchase price of the goods within three (3) days from date, or _____ to the Debtor.

The Collateral is to be used by Debtor primarily (check one):

- ☐ For personal family or household purposes
☐ In farming operations
☒ In business other than farming

and Debtor agrees that he will promptly notify Secured party in writing of any change of location of said Collateral and of any change in Debtor's residence address.

The rights and privileges of the Secured Party under this agreement shall inure to the benefit of his personal representatives, his heirs, successors and assigns. All covenants, representations, warranties and agreements of Debtor contained in this agreement are joint and several, if Debtor is more than one, and shall bind Debtor's personal representatives, heirs, successors and assigns. If any provision in this agreement shall for any reason be held to be invalid or unenforceable, such shall not affect any other provision hereof, but this agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

This agreement is subject to the additional provisions set forth on the reverse side hereof, the same being incorporated herein by reference.

FROST NATIONAL BANK OF SAN ANTONIO

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, Debtor

By: [Signature]
Its SR. VICE PRESIDENT

By: [Signature]
Its Vice President

701 Commerce Street

Dallas, TX 75202

P.O. BOX 1600, SAN ANTONIO, TX 78296

Address

Address

Std 05 M-2 (778)

Acknowledgements to above signatures are attached hereto and made a part hereof.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

OWNERSHIP FREE OF ENCUMBRANCES. Except for the security interest granted hereby, Debtor now owns or will use the proceeds of the advances hereunder to become the owner of the Collateral free from any prior lien, security interest or encumbrance, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

FINANCING STATEMENTS. No financing statement covering the Collateral or any proceeds thereof is on file in any public office and Debtor will join with Secured Party in executing one or more financing statements in form satisfactory to Secured Party.

MAINTENANCE. Debtor will keep the Collateral in good condition and free from liens and other security interests, will pay promptly all taxes and assessments with respect thereto, will not use the Collateral illegally or encumber the same and will not permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party. Secured Party may examine the Collateral at any time, wherever located.

REIMBURSEMENT FOR EXPENSES. At its option Secured Party may discharge taxes, liens, security interests, or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and for insurance thereon. Debtor agrees to reimburse Secured Party on demand for any payments so made and until such reimbursement, the amount of any such payment, with interest at ten percent (10%) per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this security agreement.

EVENTS OF DEFAULT. Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

1. Default in the payment or performance of any obligation, covenant or liability contained or referred to herein;
2. Any warranty, representation or statement made or furnished to Secured Party by or in behalf of Debtor proves to have been false in any material respect when made or furnished;
3. Any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking;
4. Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor or any guarantor or surety for Debtor.
5. Use by Debtor or any other party of the Collateral in any other state other than Missouri, Kansas, Oklahoma, and Texas.
6. Loss, theft, irreparable damage, waste, destruction, or sale of the Collateral or permitting or allowing any encumbrances, mortgages, or liens, other than that created hereby, to encumber or affect title in and to the Collateral.

REMEDIES. Upon such default and at any time thereafter Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default and the terms of this agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

Proceeds of Collateral are also covered, but this shall not be construed to mean that Secured Party consents to any sale of such Collateral.

This Security Agreement, the Note referred to above, and all rights and obligations arising thereunder shall be governed by the laws of the State of Texas.

STATE OF TEXAS)
COUNTY OF Bexar)

On this 23rd day of August, 1978, before me personally appeared L. A. Pittman, Jr., to me personally known, who being by me duly sworn, says that he is Senior Vice Pres. of the FROST BANK OF SAN ANTONIO; that one of the seals affixed to the foregoing instrument is the corporate seal of said banking institution; that said instrument was signed and sealed on behalf of said banking institution by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking institution.

My Commission Expires:

12/31/78

Robert Medini
Notary Public in and for
Bexar County, Texas

STATE OF TEXAS)
County of ~~Dallas~~ Bexar)

On this 23rd day of August, 1978, before me personally appeared Karl R. Zuehlke, to me personally known, who being by me duly sworn, says that he is Vice President of MISSOURI-KANSAS TEXAS RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires:

12/31/78

Robert Medini
Notary Public in and for
~~Dallas~~ County, Texas
Bexar